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TAGS: [PGOV](#) [KDEM](#) [MY](#)
SUBJECT: UMNO COALESCING AROUND NAJIB; ANWAR SHIFTS GEARS

REF: A. KUALA LUMPUR 889 -- PM TO STEP DOWN IN MARCH
[1](#)B. KUALA LUMPUR 815 -- SEPTEMBER 16 ANTI-CLIMAX

Classified By: Political Counselor Mark D. Clark for reasons 1.4 b and d.

Summary

[1](#)1. (SBU) The Malaysian Parliament reconvened on October 13 after a six week recess, with initial discussion focused on the 2009 budget rather than opposition moves to bring down the government. Despite speaking for four and a half hours on the opening day, opposition leader Anwar Ibrahim did not raise or suggest a motion of no-confidence in Prime Minister Abdullah Badawi, which Anwar had threatened as late as several weeks ago. Meanwhile, divisional nominations for elections in Malaysia's main coalition party, the United Malays National Organization (UMNO), are well under way with some 15 percent of divisions accounted for thus far. Following Prime Minister Abdullah's decision to step down in March 2009 (ref A), thus far all UMNO divisions have fallen in line to endorse Deputy Prime Minister Najib Razak to be UMNO's next president, and Trade Minister Muhyiddin Yassin has received a preponderance of support for the deputy position. In the important contest for UMNO Youth chief, Abdullah's son-in-law Khairy Jamaluddin is trailing former PM Mahathir Mohammad's son Mukhriz Mahathir.

[1](#)2. (C) Comment: The most significant event of this week is what has not been said or done: Anwar's failing to file or even discuss a motion of no-confidence against the PM. Anwar's failure to pursue such a motion after months of threatening to end the PM's term in office prematurely, (reftel B) has almost everyone believing that at this point he does not have the crossover support he needs to force a change in government. This has damaged Anwar's credibility in the eyes of many. Based on early divisional results, Najib is on the path to winning the UMNO presidency uncontested. End Summary and Comment.

Anti-Climactic Convening of Parliament

[1](#)3. (SBU) The Malaysian Parliament reconvened on October 13 after a six week recess for Ramadan and Hari Raya/Eid Al-Fitri holidays. During Parliament's first three days, nearly all of the floor discussions have focused on the 2009 budget. The opposition took the opportunity to criticize former Defense Minister (and current DPM) Najib's decision to purchase the Malaysian military's next-generation of helicopters from Eurocopter through a non-transparent process, and also attacked Najib over fresh allegations that

he interfered in the Altantuya murder investigation. Nevertheless, the main focus remained the budget. Anwar Ibrahim, in his role as opposition leader, spent some four and a half hours on the first day alone to criticize the proposed budget for 2009. In its fourth day, October 16, Parliament also featured opposition criticism of the Internal Security Act and its provision for detention without trial. Opposition MP Teresa Kok, recently arrested and held under the ISA for one week, participated in the debate.

¶4. (C) Conspicuously absent from the Parliament floor was any opposition motion or suggestion of a vote of no-confidence in PM Abdullah, despite Anwar Ibrahim's call on September 24 to "put the test to parliament." Subsequently, leaders of Anwar's coalition partners, the Democratic Action Party (DAP) and the Islamic Party of Malaysia (PAS), either downplayed the no-confidence bid or voiced their concerns over such an approach. Several embassy contacts told Poloffs over the past few weeks that Anwar's credibility has suffered since he failed to make a significant move to topple the government by his self-imposed deadline of September 16. Nevertheless, Anwar's presence in Parliament is creating some distress within UMNO. An UMNO parliamentarian from Johor told Polcouns that most UMNO MPs hesitated to take on Anwar in Parliament, due to Anwar's oratory skills, charisma, and in-depth knowledge of individuals' political baggage that could be turned against them in debate.

UMNO Divisional Nominations Underway

¶5. (U) Deputy Prime Minister Najib Tun Razak and Minister for International Trade and Industry Muhyiddin Yassin are leading in the nomination race for the President and Deputy President posts from UMNO's divisional meetings, which began on October 19. The UMNO President and Deputy President will become the PM and DPM, respectively, of Malaysia. Najib made a clean sweep from the 29 UMNO divisional meetings held thus far, while Muhyiddin garnered 24 nominations. In order to contest the President and Deputy President posts at the party elections in March 2009, Najib and Muhyiddin must obtain 58 and 39 nominations, respectively, from the 191 UMNO divisions.

¶6. (SBU) Najib's only contender for the President's post, veteran UMNO leader Tengku Razaleigh Hamzah, has yet to receive a single nomination. Even the UMNO divisions that are considered "maverick" for openly calling for reforms and elections for all the posts in the party thus far have fallen in line to nominate Najib and Muhyiddin. Embassy contacts expect Najib to win the top post uncontested, while Muhyiddin should easily obtain the 39 nominations required to contest the deputy post. PM Abdullah expressed happiness on Najib's clean sweep to date, stating "I want Najib to succeed me. I want all party members to give their support to him and I believe he can be a good leader."

¶7. (SBU) Among the other senior UMNO positions up for election in March 2009, one in particular has captured the attention of the public like no other: the influential UMNO Youth chief. In what is seen as a proxy war between outgoing PM Abdullah and former PM Mahathir, the current UMNO Deputy Youth chief and Abdullah's ambitious son-in-law Khairy Jamaluddin has fallen behind Mahathir's son Mukhriz in the nomination race. Mukhriz has already received the required 39 votes required to contest this position, while Khairy has only received 20. Although Khairy also is expected to receive sufficient nominations to compete in March, Mukhriz claimed that his early lead was a "clear sign" that the UMNO grassroots want change. (Comment: Sufficient nominations qualify a candidate to contest the UMNO election and provide a signal of political support. In contested UMNO races, however, the number of nominations received does not necessarily translate into votes during the election itself, as other factors such as political alignments, horse-trading and money politics traditionally come into play. End Comment.)

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